Postal Regulatory Commission
Submitted 1/31/2020 4:21:51 PM
Filing ID: 112123
Accepted 1/31/2020

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268–0001

ANNUAL COMPLIANCE REVIEW, 2019	Docket No. ACR2019

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO QUESTIONS 1-9 OF CHAIRMAN'S INFORMATION REQUEST NO. 6

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 6, issued on January 24, 2020. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Eric P. Koetting

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 277-6333
eric.p.koetting@usps.gov
January 31, 2020

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 6

1. The Postal Service provided a list of post offices suspended at the end of FY 2019 in a library reference.[1] Please provide an updated Excel spreadsheet containing the following information for each suspended post office:

a. City;

b. State;

c. ZIP Code;

d. Date Suspended;

e. Date Reopened (if applicable);

f. Suspension Reason;

g. Discontinuance Proposal Posting Date;

h. Date of Community Meeting; and

i. Date of Posting Final Determination to Discontinue.

RESPONSE:

The electronically-attached Excel file "PostOfficesFY2019.ChIR.6.Q.1.xlsx" contains responsive information for the above subparts, except for subpart (h) Date of Community Meeting. The CSDC (Change Suspension Discontinuance Center) system does not contain information for date of community meeting. For subparts (g) & (i), if a cell reflects "NULL," the information is currently unavailable.

[1] Library Reference USPS-FY19-33, December 27, 2019, Excel file "PostOfficesFY2019.xlsx," tab "Suspended End of FY19."

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 6

2. In the FY 2019 ACR, the Postal Service describes an expedited process for resolving some suspended post offices. FY 2019 ACR at 60. Please describe how this expedited process works. In the response, please explain the criteria for determining whether to apply the expedited process to a suspended post office.

RESPONSE:

No expedited process was developed or implemented for resolving suspended post offices. As reported in the FY 2019 ACR, the Postal Service "[i]nvestigated the possibility to address and resolve 80 offices in an expedited manner […, and] researched the physical existence and conditions of those offices, and determined late in Q3 that an expedited process would not be available for those offices."[2] In short, the Postal Service concluded that all sites must follow the discontinuance procedures set forth in Handbook PO-101.

[2] FY 2019 ACR at 60.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 6

3. Please refer to the response to Chairman's Information Request No. 1, question 5.[3] Please provide Excel spreadsheets including Office Name (or other appropriate identifier), Location (City and State), and 5-Digit ZIP Code for the following:

a. Community Post Offices (CPOs) in existence at the beginning of FY 2019;

b. CPOs opened during FY 2019;

c. CPOs closed during FY 2019; and

d. CPOs in existence at the end of FY 2019.

RESPONSE:

a. See attached Excel file "CPOsFY2019.ChIR.6.Q.3.xlsx," tab "StartofFY2019."

b. See attached Excel file "CPOsFY2019.ChIR.6.Q.3.xlsx," tab "NewFY2019."[4]

c. See attached Excel file "CPOsFY2019.ChIR.6.Q.3.xlsx," tab "ClosedFY2019."

d. See attached Excel file "CPOsFY2019.ChIR.6.Q.3.xlsx," tab "EndofFY2019."

[3] Responses of the United States Postal Service to Questions 1-7 of Chairman's Information Request No. 1, January 16, 2020 (Response to CHIR No. 1).

[4] There was no net gain of new CPOs in FY 2019. The data in the "NewFY2019" tab reflect new CPO contracts entered into during FY 2019, not a new CPO. A new contract represents the replacement of an expiring CPO contract with either the existing or new operator.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 6

4. Please refer to Response to CHIR No. 1, question 6. Please provide Excel spreadsheets including Office Name (or other appropriate identifier), Location (City and State), and 5-Digit ZIP Code for the following:

a. Contract Postal Units (CPUs) in existence at the beginning of FY 2019;

b. CPUs opened during FY 2019;

c. CPUs closed during FY 2019; and

d. CPUs in existence at the end of FY 2019.

RESPONSE:

a. See attached Excel file "CPUsFY2019.ChIR.6.Q.4.xlsx," tab "StartofFY2019."

b. See attached Excel file "CPUsFY2019.ChIR.6.Q.4.xlsx," tab "NewFY2019."[5]

c. See attached Excel file "CPUsFY2019.ChIR.6.Q.4.xlsx," tab "ClosedFY2019."

d. See attached Excel file "CPUsFY2019.ChIR.6.Q.4.xlsx," tab "EndofFY2019."

[5] There was no net gain of new CPUs in FY 2019. The data in the "NewFY2019" tab reflect new CPU contracts entered into during FY 2019, not a new CPU. A new contract represents the replacement of an expiring CPU contract with either the existing or new operator.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 6

5. In Docket No. ACR2015, the Postal Service filed an Excel spreadsheet containing data on the Collection Point Management System.[6] Please file an updated library reference with FY 2019 data.

RESPONSE:

See Excel file "CPMSFY2019.ChIR.6.Q.5.xlsx," filed as USPS-FY19-47.

[6] Docket No. ACR2015, Library Reference USPS-FY15-45, February 3, 2016, folder "ChIR.6.Q.2.CPMS," Excel file "ChIR.6.Q2a.CPMS.xlsx."

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 6

6. Please refer to Attachment A, filed under seal, which lists 15 mail processing facilities.

a. Please confirm that these 15 facilities processed 9.2 percent of all bundles processed by the Postal Service in FY 2019. If not confirmed, please provide the percent of all bundles processed by these facilities in FY 2019.

b. Please confirm that these 15 facilities were responsible for 24 percent of all broken bundles in FY 2019. If not confirmed, please provide the percent of bundles broken by these facilities in FY 2019.

c. For each facility listed, please provide any known reasons for the high percentage of bundle breakage at the facility.

d. For each facility listed, please explain what efforts the Postal Service will take in FY 2020 to reduce the bundle breakage rate at the facility.

RESPONSE:

a. The Postal Service confirms that these 15 first scan facilities processed 9.2 percent of all bundles captured via the bundle breakage report. Bundles included in the bundle breakage report are a subset of total bundles processed by the Postal Service and must meet certain criteria to be included in the report (i.e., the pieces must be Full-Service, scan on bundle processing equipment, etc.).

b. The Postal Service confirms that these 15 first scan facilities were responsible for 24 percent of all broken bundles captured via the bundle breakage report. As explained in the response to part (a), bundles included in the bundle breakage report are a subset of total bundles processed by the Postal Service.

c. The following reasons apply to all facilities listed. The method of induction on a processing machine contributes to bundle breakage. Mechanized induction tends to dump mail on itself from a height, which increases the probability of bundle

breakage. In addition, if the mail is not unloaded properly from the dumping mechanism, there is a greater chance of bundles hitting each other and breaking as a result. Bundle breakage also depends on the material used to secure the bundle. A fully shrink-wrapped bundle is less likely to break than a bundle secured with thin rubber bands or twine.

In addition, the listed 15 facilities include 13 Network Distribution Centers (NDCs), which handle originating mixed bundles that have downflow bundle operations. This means that the bundles processed at NDCs are more at risk of breaking because they are processed twice. If the breakage occurs at the downstream facility (typically a Processing & Distribution Center), the fault is attributed to the first scan facility that this report reflects, which are the NDCs. Thus, in some sense, the fact these facilities have relatively higher reported incidences of bundle breakage may be in part due to the reporting procedure that ties the flagged observation (of circumstances that may occur over multiple facilities) to the first scan facility, rather than necessarily reflecting a higher incidence of bundle breakage that actually occurs within those facilities.

d. The Postal Service has undertaken several efforts to reduce bundle breakage at all 15 facilities, including:

- Reviewing ways to reduce second handling of bundles and ensuring proper mail flow is in place. In this respect, it may bear noting that suboptimal mail flows could potentially be associated with activities (e.g., deliberately opening up bundles in places where ideally they would

instead be handled as an intact bundle) that could be interpreted from the scanning records as a bundle breakage when, in fact, no actual breakage has occurred.

- As noted in the Paragraph (f) Narrative document in USPS-FY19-45 and the *Annual Report on Service Performance for Market Dominant Products* in USPS-FY19-29, the Postal Service developed the Mailer Irregularity Application in FY 2019, and intends to expand its use in FY 2020. Use of Mailer Irregularity Application data should provide mailers with actionable information to correct irregularities and issues before they enter pieces into the postal network, such as securing the straps on flats bundles and reconfiguring shrink wrap to ensure address and barcode readability. In general, the application should help reduce the Postal Service's handling of poorly prepared pallets and bundles.
- As noted in the Paragraph (f) Narrative document in USPS-FY19-45, a number of Standard Work Instructions (SWI) were developed and/or modified in FY 2019 and circulated to the field to ensure efficient processing throughout the flats mail stream:
    - Reporting Mailer Irregularities – To coincide with development of developed the Mailer Irregularity Application, the Postal Service developed a SWI that provides instruction to employees on how to report improperly prepared mail and mail entered that may impede the efficient processing and/or delivery of the mail.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 6

- Automated Package Processing System (APPS) Bundle Breakage SWI – Provides instruction on processing flat bundles on an APPS to prevent and reduce bundle breakage.
- APBS Bundle Breakage – Provides instruction on the use of the APBS pallet unloader, which shingles off layers of mail lessening the potential for bundle breakage and/or damage.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 6

7. Please refer to Attachment B, filed under seal, which lists 15 mail processing facilities.

a. Please confirm that these 15 facilities processed 7.6 percent of all bundles processed by the Postal Service in FY 2019. If not confirmed, please provide the percent of all bundles processed by these facilities in FY 2019.

b. Please confirm that these 15 facilities were responsible for 2.8 percent of all broken bundles in FY 2019. If not confirmed, please provide the percent of bundles broken by these facilities in FY 2019.

c. For each facility listed, please provide any known reasons for the low percentage of bundle breakage at the facility.

d. Please explain if the Postal Service has developed any best practices from these facilities that it may use to reduce bundle breakage in other facilities. If not, explain why not.

RESPONSE:

a. Confirmed, with the same clarification provided in response to 6(a)-(b) above: these 15 first scan facilities processed 7.6 percent of all bundles captured via the bundle breakage report. Bundles included in the bundle breakage report are a subset of total bundles processed by the Postal Service.

b. Confirmed, with the same clarification provided in response to 6(a)-(b) above: these 15 first scan facilities were responsible for 2.8 percent of all broken bundles captured via the bundle breakage report. Bundles included in the bundle breakage report are a subset of total bundles processed by the Postal Service.

c. The following reasons apply to all facilities listed. Manual induction is typically bundle-by-bundle from a container/pallet and will generally reduce bundle breakage. Although not positively confirmed, it is possible that the facilities listed in Attachment B process mail that is distributed solely to the SCF service area. If

that is the case, the bundles will only be sorted once before being distributed for delivery. Reduced processing minimizes the likelihood of bundle breakage since bundles are not subjected to repeated mechanization. In addition, carrier-routed bundles destined for the SCF service area are less likely to be erroneously opened and processed by the piece, which would register the bundle as broken under current business rules.

The facilities listed in Attachment B do not have downstream process flows like the NDCs. Typically the bundle is processed and finalized in the same facility and is not subjected to another bundle processing operation downstream where breakage is more likely to occur due to additional handling.

d. Please refer to the response to 6(d).

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 6

8. Please *see* Attachment, filed under seal.

RESPONSE:

Please see the response filed under seal as part of USPS-FY19-NP35.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 6

9. Please *see* Attachment, filed under seal.

RESPONSE:

Please see the response filed under seal as part of USPS-FY19-NP35.